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C O N F I D E N T I A L JERUSALEM 001203

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NEA FOR FRONT OFFICE, NSC FOR ABRAMS/SINGH/PASCUAL

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SUBJECT: NABLUS MALL CLOSURE SPARKS PA ANGER

REF: JERUSALEM 1192

Classified By: Consul General Jake Walles, for reasons 1.4 b,d

11. (C) Summary. PA leaders say they are furious about the IDF's closure of Nablus' largest mall (reftel). Prime Minister Salam Fayyad told the Consul General on July 8 that the GOI had not previously mentioned the mall (owned by publicly-traded real estate company al-I'timan) in GOI-PA discussion and did not coordinate its actions in any way. He commented that this closure, and expected follow-up incursions to enforce the closure, demonstrate that the GOI does not intend to scale back West Bank incursions or deal with the PA as a security partner. End summary.

IDF Closure and Confiscation Order

12. (SBU) The IDF issued an order July 6 to owners of all the commercial shops and offices at Nablus Commercial Center (Nablus mall) confiscating the property and all its contents, effective immediately. According to the order, shopkeepers have until August 15 to relocate their stores. After that date, anyone remaining on the premises will be considered affiliated with Hamas, and will face administrative or criminal detention. The IDF order states that the mall belongs to an illegal organization known as the Arab Palestinian Treasury Company Ltd. (aka Bayt al-Mal), or the Trust, Investment, and Development Company, which it says is affiliated with Hamas.

13. (C) PM Fayyad told the Consul General on July 8 that he is furious with the GOI, and especially Defense Minister Barak, and is "not sure what is left to discuss" with the Israelis after the closure. Fayyad argued that if there is a legitimate problem with the mall's owner, the PA could have placed the mall into receivership while allowing the shops to continue to operate, rather than shutting down the entire mall and putting all the shopkeepers out of business. Besides the lack of coordination, Fayyad said he fears the IDF will now have to enter Nablus repeatedly to enforce the closure, which compounds the problem. He said this demonstrates that the IDF plans on continuing incursions into the West Bank. PM Fayyad said he will write a letter to General Fraser expressing concern about this incident and the recent uptick in West Bank incursions.

Ownership of Nablus Mall

14. (SBU) Ziad Anabtawi, a long-time Consulate contact and member of the Board of al-I'timan (The Trust) told EconOff that Nablus mall is currently held by a partnership of al-Itiman (a real estate company), the land owners, and the building contractor, and it is in the process of being sold off. The mall was previously owned by Bayt al-Mal, the

holding company that was dsignated by OFAC in 2001 and subsequently brokenup. The parts of the company in Nablus were restructured as al-I'timan, which is listed on the Palestinian Security Exchange. Anabtawi said Nablus' elected Mayor (a prominent Nablus businessman elected on a Hamas ticket ad jailed in Israel for the last several months) is serving as chairman of the board, but al-I'timanis not connected with Hamas. Anabtawi plans to ight the closure order, and said he contacted an sraeli lawyer who recently succeeded in helping Hebron institution fight a similar IDF closure.

WALLES